

**ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE**

February 18, 2021

1:36 p.m.

MEMBERS PRESENT

Senator Robert Myers, Chair
Senator Mike Shower, Vice Chair
Senator Click Bishop
Senator Jesse Kiehl

MEMBERS ABSENT

Senator Peter Micciche

COMMITTEE CALENDAR

OVERVIEW: STATEWIDE AVIATION & INTERNATIONAL AIRPORTS

- HEARD

SENATE JOINT RESOLUTION NO. 9

Urging the United States Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act and other applicable provisions of federal law for the period during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take actions against cruise ships sailing to the state.

- MOVED SJR 9 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 9

SHORT TITLE: URGE EXEMPTION FOR CRUISE SHIPS

SPONSOR(s): SENATOR(s) KIEHL

02/10/21	(S)	READ THE FIRST TIME - REFERRALS
02/10/21	(S)	TRA, L&C
02/18/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

JOHN BINDER, Executive Director
Alaska International Airport System (AIAS)
Department of Transportation and Public Facilities (DOTPF)
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint on the Alaska International Airport System.

PAULA TERREL, representing self
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on SJR 9 with concerns that the waiver in SJR 9 would increase the number of foreign flagged cruise ships to Southeast Alaska, potentially increasing COVID-19 risks to residents.

KIMBERLY METCALFE, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SJR 9 due to COVID-19 risks and impacts of the cruise industry on whales, crowding, and emergency services.

RAY PRESTON, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SJR 9 due to COVID-19 risks highlighted by CDC.

KARLA HART, representing self
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on SJR 9 with concern that the cruise industry adversely impacts communities and the resolution recommends suspending enforcement or fines during the waiver for an industry that frequently violates environmental laws.

SUSAN SCHRADER, representing self
Juneau, Alaska

POSITION STATEMENT: Testified with concern about COVID-19 risks to local residents.

RORIE WATT, City Manager
City and Borough of Juneau
Juneau, Alaska

POSITION STATEMENT: Testified in support of SJR 9 for the economic benefits to the state.

KATIE BOTZ, representing self
Juneau, Alaska

POSITION STATEMENT: Testified on SJR 9 with concerns about potential COVID-19 infections on board cruise ships and risks to residents.

CHRIS EICHENLAUB, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SJR 9 because of economic benefits to communities since cruise ship passengers travel throughout Alaska.

VIKKI JO KENNEDY, representing self
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion on SJR 9 by cautioning against stopping the progress of business in Juneau or elsewhere in Alaska.

ACTION NARRATIVE

[1:36:15 PM](#)

CHAIR ROBERT MYERS called the Senate Transportation Standing Committee meeting to order at 1:36 p.m. Present at the call to order were Senators Bishop, and Chair Myers. Senator Shower joined the meeting shortly thereafter. Senator Kiehl arrived as the meeting was in progress.

OVERVIEW: STATEWIDE AVIATION & INTERNATIONAL AIRPORTS

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CHAIR MYERS announced that the business before the committee would be an Overview: Statewide Aviation & International Airports.

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JOHN BINDER, Executive Director, Alaska International Airport System (AIAS), Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska, began a PowerPoint on the Alaska International Airport System. He reviewed the missions for the Department of Transportation and Public Facilities (DOTPF), Alaska International Airports System (AIAS), and the Statewide Aviation (SWA) on slide 2. The department's overall mission is to keep Alaska moving through service and infrastructure. The Alaska International Airports System's (AIAS) specific mission is to keep Alaska flying and thriving. The Statewide Aviation's (SWA) mission is to sustain and improve the quality of life throughout Alaska, he said.

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SENATOR SHOWER joined the meeting.

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MR. BINDER explained that the Statewide Aviation Division consisted of all the airports the state owns except for the Ted Stevens Anchorage International Airport (AIAS) and the Fairbanks International Airport.

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MR. BINDER highlighted that although AIAS lies within DOTPF, the international system does not use any state funds and none of its revenue flows to the state. AIAS is self-sustaining with its rates and fees' structure charging tenants, airlines, and concessionaires to completely funding the airport, he said.

MR. BINDER briefly reviewed the operating agreement with carriers on slide 6. DOTPF has an operating agreement that will expire in 2023. That agreement currently has 35 signatory carriers. He reported that these signatory carriers have more say into how the airport uses its operating and capital funds. The department must receive airline approval for any larger expenditures. Since these carriers share the financial risks, signatory carriers receive slightly reduced rates on landing fees and rental fees. However, the signatory carriers are billed for any shortfalls. AIAS also has the authority to issue bonds for large capital budget projects although it has not done so in many years.

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SENATOR SHOWER recalled that when the North Pole refinery was open, most of the jet fuel was shipped outside Alaska. He asked for the source of most of the aviation fuel for AIAS.

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SENATOR KIEHL joined the meeting.

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MR. BINDER answered that AIAS does not buy or sell fuel. The airport has a tank farm but it is a fuel consortium comprised of airlines. He acknowledged that a larger percentage of aviation fuel previously came from sources within Alaska. He explained that fuel comes to the airport via a pipeline connected to Nikiski or from one connected to the port. Most carriers obtain jet fuel from the international market. However, carriers purchase their own fuel, barge it to the Port of Anchorage and transport it to the port via the pipeline, where the fuel is

placed into the airport's tank farm, he said. The consortium then tracks fuel usage and distribution by carrier. The airport receives flowage fees for every gallon pumped through that system since the airport owns the infrastructure, he said. However, he stated he was unsure of the fuel quantities purchased in the state and how that would impact revenue.

SENATOR SHOWER characterized the changes in cost as an invisible result of the North Slope refinery shutting down.

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SENATOR BISHOP explained that part of the reduction was due to reduced throughput in the pipe. He said the state did not have enough royalty in kind (RIK) to service all the refineries in the state.

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MR. BINDER reviewed the annual revenue and operations, maintenance and debt costs on slide 7. He reported that the airport received about \$150 million in total revenues with just over \$120 million in operating costs. He directed attention to the pie chart on the right of slide 7. Revenues do not match expenditures because the chart does not reflect the airport funded capital costs. He highlighted that the chart refers to the projects the airport solely funds and the match for Federal Aviation Administration (FAA) funding.

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CHAIR MYERS asked if airport funds for AIAS are commingled.

MR. BINDER explained that revenue from both airports flows into the International Airport Revenue Fund (IARF), which is a single, separate fund used by the system as a whole. He directed attention to the pie chart on the left side of slide 7 to landing fees. Landing fees represented about 40 percent of the revenue. He offered to discuss landing fees as part of the COVID-19 discussion later in the presentation. The remaining non-aeronautical revenue categories are drastically impacted by passenger activity, he said.

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SENATOR SHOWER asked where the surplus \$26.9 million was spent.

MR. BINDER after further clarification on the question, explained that the difference in revenues compared to costs reflected the airport funded capital projects during FY 2020,

including solely funded airport projects and the match to any FAA grants.

SENATOR SHOWER asked if the department rolled over any excess funds or if the funds were depleted each year.

MR. BINDER responded that any surplus would be rolled over. This allows the airport to lower its fees for the upcoming year, he said. He reported that this year the airport was \$10 million short due to the dramatic reduction in airline passenger travel. AIAS used federal CARES fund to make up the difference rather than backfill carrier fees, he said.

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SENATOR KIEHL asked him to elaborate on the AIAS fund balance.

MR. BINDER explained that AIAS carried a significant cash balance due to the substantial outstanding bond debt of \$350 million. AIAS was dependent on international air cargo, which can dramatically fluctuate. The AIAA coordinates this with its signatory carriers, which means AIAS usually has a year's worth of cash on hand, he said. This provides some cushion to carry the airport forward in case of a downturn and still allow for debt repayment, he said.

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SENATOR SHOWER asked if AIAS has considered options if it experiences another weak travel year.

MR. BINDER explained that DOTPF received \$33 million in initial CARES funding in early summer specifically allocated to AIAS. As previously mentioned, AIAS used \$10 million to make the airport system whole, which left about \$22 or \$23 million to backfill any shortfall. He anticipated cargo would begin to decrease but it has not yet happened. However, passenger comeback has met DOTPF's expectations. He estimated about 90 to 95 percent of the FY 2019 seat capability was already scheduled for this summer. He related his understanding that the airlines seemed to be optimistic about increased passenger numbers, even with the cruise industry cutbacks. Although airlines were not operating at full capacity yet, tourist companies in the Lower 48 related that people were booking stateside travel destinations rather than European travel destinations. Alaska is still high on the destination list so AIAS has been fairly optimistic about the upcoming tourism season, he said. The airport also has another \$18 million in CRRSA funds to fall back on so AIAS feels it

could survive for a few years based on its projected activity levels.

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SENATOR BISHOP asked for the percentage of freight versus passenger landing fees.

MR. BINDER explained that the landing fee rates are the same for freight and passenger planes. Fees are based on the aircraft size. He offered to break out the landing fees by airline and report back to the committee.

SENATOR BISHOP expressed an interest in any increases in air freight and freezer expansion data.

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SENATOR SHOWER explained that the industry initially anticipated it would bypass Anchorage but found it was self-defeating to carry extra fuel rather than cargo. Thus, cargo flights discovered it was cost effective to stop in Anchorage and refill. He offered his view that Alaska would not experience a drop off in air cargo from Asia.

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MR. BINDER discussed the cargo and passenger activity on slide 8. He described the chart as a breakout between international and domestic cargo and passenger flights. The light blue dominating the chart represented international cargo, the green represented the domestic passenger travel, the purple represented international passenger travel, and the dark blue represented state domestic cargo. He said international cargo is the primary revenue driver for AIAS. Typically, about 40 percent of air cargo is shipped on passenger planes. During the pandemic, as flights were cancelled, this cargo was transferred to air cargo planes, which greatly benefitted AIAS.

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MR. BINDER turned to slide 9 and discussed the primary revenue drivers. AIAS's landing fees are based on the certified maximum takeoff weight (CMGTW), which tends to be the best revenue predictor. He directed attention to the chart. He said each line on the chart is progressively higher, that the green line depicts FY 2020 and the magenta line FY 2021. He characterized landing fees as being really strong and very beneficial to the AIAS.

MR. BINDER turned to slide 10, related to passenger activity. He said about 60 percent of airport revenue is related to non-aeronautical activities, such as concessions within the terminal, rental cars and airport parking. Thus, the airport experienced revenue shortfalls for FY 2020 even though AIAS had a strong air cargo market.

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MR. BINDER discussed capital funding on slide 11. He explained that the airport normally receives about \$40 million from the Federal Aviation Administration (FAA), with the match at 12 percent. He said the CARES Act covered 100 percent of federal share. FY 2020 was down due to the North South Runway Project He reported that FY 2021 was a more normal year. He reported that the supplemental budget also provided additional federal funding.

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MR. BINDER reviewed the economic opportunities on slide 12. He related that AIAS has five big cargo development proposals in Anchorage, including constructing the Alaska Cargo and Cold Storage facility this summer. He related these projects represented an attempt to take advantage of the uptick in air cargo. He highlighted the passenger transfer rights that Alaska and Hawaii airlines have had for many years. This year the contracts added provisions for international passenger transfer rights. Although passengers cannot disembark and remain in Alaska, they may transfer to other flights. For example, a foreign carrier flying from Asia to Mexico could land in Alaska and transfer its passengers to other flights headed to Canada or the Caribbean. He compared it to Reykjavik, Iceland, which serves as a hub for many international flights.

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SENATOR SHOWER referred to the line item on slide 12 that identified economic opportunities for seafood export to Asia. He related his understanding that the Alaska Seafood Marketing Institute had considered seafood export to Asia but found it was not viable. He asked for any new information or analysis on this issue.

MR. BINDER answered that he would provide information but suggested that it would be mostly anecdotal. Asian marketers and companies regularly contact AIAS and request more seafood but several impediments need to be addressed. First, Alaskan processors typically remove the heads and freeze the fish, but the Asian companies and markets want their fish live and whole.

MR. BINDER stated that secondly, rural Alaska has not been able to transport sufficient quantities of fish to Anchorage to make it worthwhile for planes to land. He explained that this issue was somewhat alleviated when Alaska Airlines began flying its freight planes to rural Alaska. If Alaska Airline and Lynden Transport were able to transport enough fish to Anchorage, it could meet the Asian market demand for fresh fish and seafood, he said. He clarified that he was not suggesting that the state develop any seafood processing or warehouse in Anchorage, but that AIAS could track the activity and connect buyers and sellers to take advantage of the opportunity.

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MR. BINDER reviewed statewide aviation on slide 13. Statewide aviation is the rural Alaska system, which covers all aviation outside of Anchorage or Fairbanks. Alaska has certificated airport hubs under the Federal Aviation Administration (FAA). These hubs are basically any airport where Alaska Airlines or other jets fly, which provide a huge lifeline to communities in rural Alaska.

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MR. BINDER reviewed the rural system scope and scale on slide 14. General funds primarily fund the rural airport system, which is not self-sustaining, he said. He outlined the rural system operating budget on slide 15. He said a \$49.4 million CARES Act grant was a huge boon for the system. The intent of the federal grant was to offset any lost revenue and to cover additional expenses the airports incurred during COVID-19.

MR. BINDER explained that since the state does not own the terminals at rural airports, COVID-19 did not adversely affect DOTPF's rural airport program last year. This allowed DOTPF to free up general funds for other purposes, he said. He directed attention to the bullet related to revenues. First, DOTPF rented lease lots at airports, which resulted in \$6.9 million in revenue. Secondly, the state collected aviation fuel tax on jet fuel and aviation gas and this revenue flowed back to the department into the Highways and Aviation Fund to fund aviation. Next, he turned to system sustainability. The department experienced more freeze and thaw events and erosion this past year. Rather than clear ice off the runways, the Southcoast Region's approach was to stay ahead of the weather. The region used federal AIP funding to perform its standard maintenance activities to relieve some of the burden on the general fund. However, it does pull some funding from capital projects, he said. He remarked that the state continues to provide free

aviation services to Alaskans at all its rural airports. However, in other parts of the world, landing fees or user fees are charged for these services.

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SENATOR SHOWER asked whether the \$49.4 million CARES Act funding could be used beyond FY 2020.

MR. BINDER answered that CARES Act funding was provided via a standard FAA grant with a four-year performance period. The only caveat was that funding must be used for aviation expenses. DOTPF used these to replace aviation general funds within the region's highways and aviation components for FY 2020. He was unsure of the amount but he recalled that it was about \$14 million for FY 2020. Doing so allowed the department to free up general funds in FY 2021 and FY 2022. He added that this also applied to the CRRA funds.

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SENATOR BISHOP asked if DOTPF would be able to use CARES funding for specific construction projects in rural villages.

MR. BINDER answered that FAA specifically required these funds be used for operating expenses but the construction project qualified as a capital expense so those funds were not available. He suggested that the state could steer general funds to free up funds for construction projects.

SENATOR BISHOP offered to discuss this further outside the committee meeting.

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MR. BINDER reviewed a list of the AIP rural system capital improvement projects (CIP) on slide 16. He estimated that the rural system's AIP annual average CIP at approximately \$132 million. One advantage Alaska's DOTPF has is the flexibility and readiness to accept additional discretionary federal funds while some other states lack that ability, he said. He related that the non-DOTPF airports in Juneau, Wasilla, and Kenai experienced small capital improvement funding in FY 2020. However, DOTPF was able to provide rural airport funding. He characterized the overall 2020 funding as being great. In addition, since the funding did not require state match and was all federal funding, it saved the department \$10 million. Further, the state has a few essential air service airports that fall under economically distressed communities that qualify for a 5 percent match of project eligible costs.

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MR. BINDER stated that slide 17 listed some of the locations of major projects in FY 2021 to FY 2022. He advised members that DOTPF construction projects were not affected by COVID-19. He offered to provide details on individual projects to members.

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MR. BINDER reviewed unmanned aircraft systems (UAS) on slides 17-18. He reported that Alaska was one of the top states in the country in terms of UAS. It began when FAA selected Alaska as one of seven test sites. The Alaska Center UAS Integration ACUASI handled testing, integration, and trials. For example, Poker Flats integrated with Fairbanks International Airport for unmanned cargo operations. DOTPF took on the role as statewide program coordinator, working with state departments and agencies to train pilots, tracking systems, coordinating with tribes and communities throughout the state. He stated that the coastal launch program was coming to fruition and would reap huge dividends for all departments.

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CHAIR MYERS remarked that he would like to have DOTPF come back to present more details in terms of economic development implications.

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MR. BINDER highlighted the UAS benefits to Alaskans on slide 20. For example, DOTPF used drones at Atigun Pass to monitor snow loads, initiate avalanches, to conduct bridge, runway, and tower inspections.

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MR. BINDER reviewed the photographs on slide 21 to illustrate the division's cost savings by using unmanned aircraft.

SJR 9-URGE EXEMPTION FOR CRUISE SHIPS

[2:18:12 PM](#)

CHAIR MYERS announced that the final order of business would be SENATE JOINT RESOLUTION NO. 9 Urging the United States Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act and other applicable provisions of federal law for the period during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take actions against cruise ships sailing to the state.

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SENATOR KIEHL, speaking as sponsor, said the pandemic has hit Alaska hard economically. He expressed concern that the cruise industry may not come to Alaska this summer. In 2019, about 2.25 million visitors came to Alaska. Of those, 1.2 million were passengers on cruise ships. The tourism sector brought \$4 billion in economic activity in Alaska. He directed attention to language in the resolution that highlights this economic activity. In 2020, the tourism figures dropped close to zero. While some businesses closed, others have held on due to federal help from the CARES Act [Coronavirus Aid, Relief, and Economic Security Act]. Seasonal employees were not hired last year and were relying on pandemic unemployment assistance. He cautioned that these businesses would not survive without a cruise season this year.

SJR 9 asks Alaska's Congressional Delegation and the executive branch of the federal government to take steps to make it possible for Alaska to have a cruise ship season this year. He noted that he worked with members of the delegation when drafting the resolution who suggested the language should be broad enough to allow it the flexibility to address this issue.

SENATOR KIEHL said this resolution is not a call for permanent changes to federal laws, lasting changes in federal rules designed to protect American steel or shipbuilding jobs or allow for unlimited cruise ship passengers in the future. Instead, SJR 9 requests a waiver limited to the 2021 cruise ship season, he said.

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SENATOR SHOWER said he appreciates SJR 9 and supports efforts to get Alaska's businesses operational. Many businesses were caught off guard by the pandemic, could not manage, and closed. He said his interest stems from the fact that his district has two ports. He expressed concern that fear mongering related to COVID-19 caused people not to book cruise ship travel. Further, the state highlighted COVID-19 issues to the extent that it added to people's concern about travel. In addition, the administration put some development projects on hold to the extent that the state might struggle economically. Many cruise passengers fall into the vulnerable COVID-19 category. Since the CDC can protect passengers, the cruise industry could have been operating. Instead, the cruise ship industry was shut down nationally and in Canada. He offered his view that people needed to let go of fear to allow the state to open up.

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SENATOR KIEHL offered his view that many passengers will feel safe due to protocols in place on cruise ships. In addition, two vaccines are being offered and more are in the planning stages, he said.

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CHAIR MYERS opened public testimony on SJR 9.

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PAULA TERREL, representing self, Juneau, Alaska, stated that she previously served on the Juneau Visitor Industry Task Force, which dealt almost exclusively with the cruise ship industry. However, she is speaking on her own behalf today, she said. This resolution supports the waiver exemption provisions of the Passenger Vessel Services Act, specifically from requiring foreign flagged vessels to stop in a non-USA port. Cruise ships destined for Alaska must stop in Canada, which has closed its ports until 2022. Although this resolution was the sponsor's attempt to help businesses that have suffered economic hardships from last year cruise ship season last year, it is not the solution. Under the waiver, foreign flagged cruise ships could travel in international waters and directly access Southeast Alaska. She was uncertain how many large cruise ships would take advantage of this opportunity since some cruise lines are not foreign flagged, such as Norwegian Cruise Lines. However, many residents, including herself, desire to limit the number of cruise ships and passengers visiting Southeast Alaska.

MS. TERREL related that foreign flagged vessels are exempt from certain taxes and enjoy other financial benefits. She acknowledged that strict CDC guidelines would potentially minimize COVID-19 but she was unsure how safe communities would be. She urged members to seek options for supporting local businesses other than this this waiver.

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KIMBERLY METCALFE, representing self, Juneau, Alaska, spoke in opposition to SJR 9 because she has concerns about the issues related to the foreign-flagged cruise ship industry. She specifically spoke against the waiver exemption provisions of the Passenger Vessel Services Act that requires foreign-flagged vessels to stop in a Canadian or other non-USA port. Last month, Transport Canada reported that Canada decided to extend the ban on cruise ship travel until February 28, 2022, because:

Cruise vessels in Canadian waters pose a risk to our health care systems. The government of Canada will continue to evaluate the situation and make changes as necessary to ensure the health and safety of all Canadians. Should the COVID-19 pandemic sufficiently improve to allow resumption of these activities, the Minister of Transport has the ability to rescind the interim orders.

MS METCALFE said this ban emphasizes that Canada puts its citizens first. COVID-19 provides an opportunity for SE Alaska to explore its relationship with the cruise industry, including effects on whales, crowding, and emergency services, she said.

2:39:08 PM

RAY PRESTON, representing self, Juneau, Alaska, spoke in opposition to SJR 9 due to COVID-19 risks highlighted by CDC. He said SJR 9 ignored the risk to Alaskans by offering a waiver, yet Canada issued the ban to protect its citizens. He offered his view that this resolution ignored the pandemic in favor of revenue from the cruise industry. It also ignored the CDC [Centers for Disease Control and Prevention] guidelines. He quoted from the CDC's website:

CDC recommends that all people avoid travel on cruise ships, including river cruises, worldwide. That's because the chance of getting COVID-19 on cruise ships is high since the virus appears to spread more easily between people in close quarters aboard ships. It is especially important that people with an increased risk of severe illness put off travel on cruise ships, including river cruises.

MR. PRESTON concluded by stating that he hoped that this resolution would not pass.

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KARLA HART, representing self, Juneau, Alaska, highlighted her concern that the cruise industry has more physical impact in Alaska but SJR 9 does not recommend any enforcement or fines. She related that she operated tourism businesses in Juneau for ten years. The cruise industry has the biggest voice and the most visitors yet it also has the greatest adverse impact on communities. She expressed concern that SJR 9 lumped cruise and other visitors together. She said, "Tourism does not equal cruise tourism. According to the 2016 Alaska Visitors Statistics Program (AVSP), visitors spend \$2 billion in Alaska. However,

cruise passengers only account for one-third of it. Further, SJR 9 urges the President of the United States to not take enforcement actions against cruise ships sailing to the state while the Canadian ports are closed to the cruise ships. She surmised that the sponsor likely intended this resolution to refer to the Passenger Vessel Services Act but it does not do so. She urged the committee to amend this language since the cruise industry has a long history of environmental violations.

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SUSAN SCHRADER, representing self, Juneau, Alaska, acknowledged that local businesses catering to cruise ship passengers were severely hurt during the pandemic as were other businesses. She commended the City and Borough of Juneau (CBJ) for its COVID-19 mitigation and vaccination efforts. She referred to the sponsor statement that cited the CDC's stringent COVID-19 safety protocols for responsible cruising in American waters. However, she does not trust the foreign-flagged cruise industry to follow the protocols or any US law, she said.

MS. SCHRADER suggested that the committee consider the cruise ships as huge assisted-living facilities with passengers congregating in bars, restaurants, and night clubs for over a week. She expressed concern that passengers pose risks for local residents, ports of call, and their home communities. She offered her view that any approval to stop in Alaska communities should be based on the best science available and reflect the will of the local residents. She offered her view that SJR 9 was badly misguided.

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At ease

[2:47:55 PM](#)

CHAIR MYERS reconvened the meeting.

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SENATOR SHOWER related his understanding that people have concerns about COVID-19. However, testing standards can mitigate the effects to protect citizens. He offered his view that communities can take precautions to protect their citizens yet still allow cruise ships. He cautioned people that federal funding to communities will run out. He solicited solutions from testifiers that would allow people to work and for the state to have a viable economy. He pointed out that Alaska has been devastated by job losses and closed businesses due to COVID-19.

[2:49:27 PM](#)

RORIE WATT, City Manager, City and Borough of Juneau (CBJ), Juneau, Alaska, spoke in support of SJR 9. He stated that not having ships in port last summer was devastating to Juneau. He stated that the city government, local businesses, and neighbors and friends were hurting. He pointed out that this issue was not limited to Juneau. The lack of the cruise ship industry in Alaska affects Southeast Alaska and Interior Alaska since many visitors disembark from cruise ships and travel throughout Alaska, he said.

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KATIE BOTZ, representing self, Juneau, Alaska, said she respected what Senator Kiehl is trying to do by keeping tour businesses open. She characterized downtown Juneau as a ghost town last summer. She asked the committee to consider amending the resolution to enforce stricter CDC guidelines to protect residents.

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CHRIS EICHENLAUB, representing self, Wasilla, Alaska, spoke in support of SJR 9 due to the economic benefits from the cruise industry throughout Alaska. In fact, he said he supports any bill that will open the state up and allow things to return to normal. He suggested that businesses could decide to stay closed if the owner has concerns about COVID-19.

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VIKKI JO KENNEDY, representing self, Juneau, Alaska, agreed with the prior testifier that businesses could decide to stay closed if the owner has concerns about COVID-19. She cautioned against stopping the progress of business in Juneau or elsewhere in Alaska.

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CHAIR MYERS closed public testimony on SJR 9.

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SENATOR KIEHL, speaking as sponsor, said he appreciates the robust comments. He clarified that Congress has authority to waive the provisions of the Passenger Vessel Services Act and change federal laws. He pointed out that the CDC requirements included laboratory testing on board each cruise ship for passengers and crew and isolation for those who test positive to limit spread. The CDC included requirements for shoreside COVID-19 testing for passengers and crew, including for crew changes. He said local port agreements provide local control and include

shoreside health care providers. He offered his view that this was a rigorous and thorough approach to COVID-19 that will also allow the possibility of economic activity. He acknowledged that issues arise. However, nothing in SJR 9 affects local control.

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CHAIR MYERS noted there were no amendments and solicited a motion.

3:01:19 PM

SENATOR SHOWER moved to report SJR 9, work order 32-LS0503\B, from committee with individual recommendations and attached fiscal note(s).

CHAIR MYERS found no objection and SJR 9 was reported from the Senate Transportation Standing Committee.

3:01:40 PM

At ease

3:02:41 PM

CHAIR MYERS reconvened the meeting.

3:03:00 PM

There being no further business to come before the committee, Chair Myers adjourned the Senate Transportation Standing Committee meeting at 3:03 p.m.